

Introduced by Senators Ortiz and Chesbro

February 23, 2001

An act to amend Sections 14005.25, 14005.30, and 14008.85 of, and to add Sections 14005.26, 14005.27, 14005.41, and 14100.4 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 833, as introduced, Ortiz. Medi-Cal.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

This bill would require the department to exercise any options available, and to seek waivers, for the extension of the scope of eligibility for Medi-Cal benefits to children of low-income eligible families.

This bill would also extend eligibility of certain persons receiving benefits under the Medi-Cal program continuously from the date of a determination of eligibility for those benefits to the end of a 12-month period.

The bill would also require the department to revise the method of determining eligibility by excluding nonexempt resources of a family with an income that does not exceed 200% of the federal poverty level from the eligibility determination.

The bill would revise resource exemptions for certain Medi-Cal applicants, to the extent federal financial participation is available.

The bill would require the department to develop a single methodology for determining income eligibility for nondisabled children, certain persons eligible for Medi-Cal benefits on the basis of

eligibility prior to certain changes in federal law, and Medi-Cal family persons.

Existing law provides that any parent of a child, for purposes of determining eligibility for benefits under the CalWORKs program on the basis of deprivation of the child, shall be considered unemployed if any one of several factors is applicable, including the requirement that the total nonexempt earned income for the family is not more than 100% of the federal poverty level.

This bill would specify that, with respect to that particular requirement, any family with income that does not exceed 100% of the federal poverty level for the determination of eligibility for Medi-Cal benefits, as calculated by applying an alternative income disregard to the extent federal financial participation is available, shall be deemed not to exceed 100% of the federal poverty level for purposes of determining deprivation of the child.

Existing law, commonly cited as the Richard B. Russell National School Lunch Act, provides for reduced price and free school lunches.

This bill would provide that children who are eligible for free lunches under the federal Richard B. Russell National School Lunch Act shall be eligible for Medi-Cal benefits.

By extending the eligibility for benefits under the Medi-Cal program and modifying the eligibility determination process, this bill would increase the responsibilities of the counties in the administration of the Medi-Cal program, and would result in a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



The people of the State of California do enact as follows:

SECTION 1. Section 14005.25 of the Welfare and Institutions Code is amended to read:

14005.25. (a) (1) To the extent federal financial participation is available, the department shall exercise the option under Section 1902(e)(12) of the federal Social Security Act (42 U.S.C. Sec. 1396a(e)(12)) to extend continuous eligibility to children 19 years of age and younger. ~~A child shall remain eligible pursuant to this subdivision from the date of a determination of eligibility for Medi-Cal benefits until the earlier of either:~~

~~(1) The end of a 12-month period following the eligibility determination.~~

~~(2) The date the individual exceeds the age of 19 years.~~

(2) Any person receiving benefits under the Medi-Cal program pursuant to Section 14005.30 or as a medically needy person under Section 14005.7 shall remain continuously eligible for benefits under the Medi-Cal program from the date of a determination of eligibility for Medi-Cal benefits to the end of a 12-month period following the eligibility determination or annual redetermination.

(3) Any person other than those to which paragraph (2) applies and who have been determined to be eligible for benefits under the Medi-Cal program shall remain eligible for continuous eligibility from the date of a determination of eligibility for benefits under the Medi-Cal program until the earlier of the end of a 12-month period following the eligibility determination, the annual redetermination, or his or her 21st birthday.

(b) This section shall be implemented only if, and to the extent that, federal financial participation is available.

(c) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall, without taking regulatory action, implement this section by means of all county letters or similar instructions. Thereafter, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 2. Section 14005.26 is added to the Welfare and Institutions Code, to read:

1 14005.26. (a) The department shall exercise all options
2 available under federal law to simplify Medi-Cal eligibility to
3 exempt all resources of the following in the determination of
4 eligibility for benefits under the Medi-Cal program:

5 (1) Children under 21 years of age.

6 (2) Persons receiving benefits under the Medi-Cal program
7 pursuant to Section 14005.30.

8 (3) Medically needy family persons receiving benefits under
9 the Medi-Cal program pursuant to Section 14005.7.

10 (b) Subdivision (a) shall apply only to persons with countable
11 income that does not exceed 200 percent of the federal poverty
12 level applicable to the size of the family.

13 (c) The department shall seek a federal waiver for any group
14 described in subdivision (a) for which an option is not available.

15 SEC. 3. Section 14005.27 is added to the Welfare and
16 Institutions Code, to read:

17 14005.27. (a) The department shall develop a single
18 methodology for determining income eligibility of the following:

19 (1) Nondisabled children for benefits in the Medi-Cal program.

20 (2) Persons receiving benefits under the Medi-Cal program
21 pursuant to Section 14005.30.

22 (3) Medically needy family persons receiving benefits under
23 the Medi-Cal program pursuant to Section 14005.7.

24 (b) The methodology required by subdivision (a) shall
25 substitute, and be of equal value to, existing methodologies used
26 to determine income eligibility and shall be implemented as a
27 standard income deduction in order that applicants, beneficiaries,
28 and eligibility workers need not calculate it on a case-by-case
29 basis.

30 (c) The department shall exercise any option available under
31 federal law to develop the single methodology required by
32 subdivision (a) for which an option is available.

33 (d) The department shall implement this section only to the
34 extent federal financial participation is available.

35 SEC. 4. Section 14005.30 of the Welfare and Institutions
36 Code is amended to read:

37 14005.30. (a) (1) To the extent that federal financial
38 participation is available, Medi-Cal benefits under this chapter
39 shall be provided to individuals eligible for services under Section
40 1396u-1 of Title 42 of the United States Code, including any

options under Section 1396u-1(b)(2)(C) made available to and exercised by the state.

(2) The department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt less restrictive income and resource eligibility standards and methodologies to the extent necessary to allow all recipients of benefits under Chapter 2 (commencing with Section 11200) to be eligible for Medi-Cal under paragraph (1).

(b) To the extent that federal financial participation is available, the department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary to expand eligibility for Medi-Cal under subdivision (a) ~~by establishing~~ *exempting all resources to the extent of federal financial participation. If federal financial participation is not available if all resources are exempted under this section, the department shall continue to establish* the amount of countable resources individuals or families are allowed to retain at the same amount medically needy individuals and families are allowed to retain, except that a family of one shall be allowed to retain countable resources in the amount of three thousand dollars (\$3,000).

(c) To the extent federal financial participation is available, the department shall, commencing March 1, 2000, adopt an income disregard for applicants equal to the difference between the income standard under the program adopted pursuant to Section 1931(b) of the federal Social Security Act (42 U.S.C. Sec. 1396u-1) and the amount equal to 100 percent of the federal poverty level applicable to the size of the family. A recipient shall be entitled to the same disregard, but only to the extent it is more beneficial than, and is substituted for, the earned income disregard available to recipients.

(d) For purposes of calculating income under this section during any calendar year, increases in social security benefit payments under Title II of the federal Social Security Act (42 U.S.C. Sec. 401 and following) arising from cost-of-living adjustments shall be disregarded commencing in the month that these social security benefit payments are increased by the cost-of-living adjustment through the month before the month in which a change in the federal poverty level requires the department to modify the income disregard pursuant to subdivision (c) and in

1 which new income limits for the program established by this
2 section are adopted by the department.

3 (e) Subdivision (b) shall be applied retroactively to January 1,
4 1998.

5 (f) Notwithstanding Chapter 3.5 (commencing with Section
6 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
7 the department shall implement, without taking regulatory action,
8 subdivisions (a) and (b) of this section by means of an all county
9 letter or similar instruction. Thereafter, the department shall adopt
10 regulations in accordance with the requirements of Chapter 3.5
11 (commencing with Section 11340) of Part 1 of Division 3 of Title
12 2 of the Government Code. Beginning six months after the
13 effective date of this section, the department shall provide a status
14 report to the Legislature on a semiannual basis until regulations
15 have been adopted.

16 SEC. 5. Section 14005.41 is added to the Welfare and
17 Institutions Code, to read:

18 14005.41. Notwithstanding any other provision of law, to the
19 extent permitted by federal law, any child who is eligible for free
20 meals under the National School Lunch Program provided for
21 pursuant to Chapter 13 (commencing with Section 1751) of Title
22 42 of the United States Code, which is deemed to be
23 income-equivalent to the Medi-Cal program, shall be deemed to
24 have met income eligibility requirements for participation in the
25 Medi-Cal program.

26 SEC. 6. Section 14008.85 of the Welfare and Institutions
27 Code is amended to read:

28 14008.85. (a) To the extent federal financial participation is
29 available, a parent who is the principal wage earner shall be
30 considered an unemployed parent for purposes of establishing
31 eligibility based upon deprivation of a child where any of the
32 following applies:

33 (1) The parent works less than 100 hours per month as
34 determined pursuant to the rules of the Aid to Families with
35 Dependent Children program as it existed on July 16, 1996,
36 including the rule allowing a temporary excess of hours due to
37 intermittent work.

38 (2) The total net nonexempt earned income for the family is not
39 more than 100 percent of the federal poverty level as most recently
40 calculated by the federal government. *Any family with income that*

1 *does not exceed 100 percent of the federal poverty level for income*
2 *in the determination of eligibility under subdivision (c) of Section*
3 *14005.30 shall be deemed not to exceed 100 percent of the federal*
4 *poverty level for purposes of determining deprivation. The*
5 *department may adopt additional deductions to be taken from a*
6 *family's income.*

7 (3) The parent is considered unemployed under the terms of an
8 existing federal waiver of the 100-hour rule for recipients under
9 the program established by Section 1931(b) of the federal Social
10 Security Act (42 U.S.C. Sec. 1396u-1).

11 (b) Notwithstanding Chapter 3.5 (commencing with Section
12 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
13 the department shall implement this section by means of an all
14 county letter or similar instruction without taking regulatory
15 action. Thereafter, the department shall adopt regulations in
16 accordance with the requirements of Chapter 3.5 (commencing
17 with Section 11340) of Part 1 of Division 3 of Title 2 of the
18 Government Code.

19 ~~(c) This section shall become operative March 1, 2000.~~

20 SEC. 7. Section 14100.4 is added to the Welfare and
21 Institutions Code, to read:

22 14100.4. (a) Except as provided in subdivision (b), the
23 department shall require an applicant for, or recipient of, benefits
24 under the Medi-Cal program to provide independent
25 documentation of eligibility for those benefits only to the extent
26 required under federal law.

27 (b) If a county has facts that clearly conflict with information
28 provided in an application for Medi-Cal benefits, the department
29 may verify eligibility through other means or request the applicant
30 or recipient to provide documentation of eligibility for Medi-Cal
31 benefits.

32 (c) This section shall not be construed to affect the authority of
33 the department to conduct paperless random posteligibility
34 sampling of eligibility.

35 SEC. 8. Notwithstanding Section 17610 of the Government
36 Code, if the Commission on State Mandates determines that this
37 act contains costs mandated by the state, reimbursement to local
38 agencies and school districts for those costs shall be made pursuant
39 to Part 7 (commencing with Section 17500) of Division 4 of Title
40 2 of the Government Code. If the statewide cost of the claim for

- 1 reimbursement does not exceed one million dollars (\$1,000,000),
- 2 reimbursement shall be made from the State Mandates Claims
- 3 Fund.

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